

Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Jennifer D. Maddox, Undersecretary

To: Owners and Managers of Private Housing with DHCD Rental Assistance

From: Roberta Rubin, Chief Counsel

Subject: Clarification - Rent Increases in Units with Rental Assistance During COVID-19

Emergency

Date: April 7, 2020

DHCD has received questions relating to recently issued <u>DHCD Guidance on Rents in Privately Owned Affordable Housing</u> regarding the ability of owners and managers to increase rents based on the new income and rent limits announced by the United States Department of Housing and Urban Development (HUD) on April 1, 2020.

Please note the following FAQs and responses:

- 1. My property does not receive any project-based rental assistance from the Commonwealth, and was not developed or preserved with Commonwealth financial assistance. I do have some tenants with mobile vouchers. Does this guidance apply to me?
 - a. <u>DHCD Response</u>: No, this guidance was not intended to apply to properties where the only Commonwealth subsidy is tenant-based rental assistance, including mobile vouchers issued under the Federal Section 8 program, the Massachusetts Rental Voucher Program, the Alternative Rental Voucher Program, and DMH Rental Assistance program.
- 2. My property was developed or preserved with Commonwealth financial assistance including low-income housing tax credits, tax-exempt bonds, HOME funds, or other state capital dollars, but no project-based rental assistance. Does this guidance apply to me?
 - a. <u>DHCD Response</u>: Yes, the guidance was intended to apply to properties that were developed or preserved with Commonwealth financial assistance. We expect owners and managers of these properties to abide by the limitation on rent increases described in <u>DHCD Guidance on Rents in Privately Owned Affordable Housing</u>.
- 3. My property was not developed or preserved with Commonwealth financial assistance, but I do have project-based rental assistance under the Federal Section 8 program, the Section 811 program, and/or the Massachusetts Rental Voucher Program. Does this guidance apply to me?
 - a. <u>DHCD Response</u>: To minimize the strain on scarce government resources and to avoid spurring rent inflation during this state of emergency, DHCD continues to urge landlords who receive project-based rental assistance, including rental assistance issued under the Federal Section 8 program or the Massachusetts Rental Voucher Program, to refrain from raising rents during the period described in the earlier DHCD guidance. However, landlords whose only



DHCD subsidy is project-based rental assistance may request rent increases during this period, subject to the terms of their rental assistance contracts. DHCD recognizes that there are circumstances under which a slight increase in rent levels may help assure financial stability for a small project while holding the tenants harmless.

- 4. My property is subject to a regulatory agreement under DHCD's Local Initiative Program or Local Action Unit program, and was eligible for local approval under Chapter 40B based on DHCD technical assistance rather than financial subsidy. Does this guidance apply to me?
 - a. DHCD Response: Yes. DHCD will be issuing separate guidance to 40B owners, but expects the owners of 40B projects to abide by the limits in DHCD Guidance on Rents in Privately Owned Affordable Housing.
- 5. I am the owner of a small property with no assistance other than project-based rental assistance. Who can I call to discuss my situation?
 - a. DHCD Response: For project-based MRVP, please contact Cecilia Woodworth (cecilia.woodworth@mass.gov; 617-573-1141); For DHCD project-based Section 8, please contact Dan Tobyne (dan.tobyne@mass.gov; 617-573-1241).
- 6. I am the owner of a property developed or preserved with Commonwealth financial assistance. Who can I call to discuss my situation?
 - a. DHCD Response: Please contact Bertha Borin, Program Coordinator at 617-573-1309.
- 7. I requested a rent increase before DHCD issued its guidance. How does that guidance impact my pending request?
 - a. <u>DHCD Response</u>: Further guidance will be forthcoming in response to this question.

We again want to acknowledge the many affordable housing owners who voluntarily offered to refrain from implementing the rent increases allowed under the revised HUD figures even before DHCD issued its guidance. The Baker-Polito Administration commends all of these owners for this action, which is so critical to our efforts to preserve the housing stability of renters in state-supported housing during these challenging times. We also continue to hope that owners of multifamily rental projects that do not receive direct Commonwealth financial support will follow the lead of the affordable housing ownership community in refraining from imposing rent increases at this time.

